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INTRODUCTION

Lakeland Diagnostic & Assessment Center (Lakeland) entered into contract #COUN-04-99192, with the Department of Human Services (DHS) to provide clinical, outreach, and group sexual abuse counseling. The Lakeland contract covered the period April 1, 2004 through March 31, 2006. Lakeland was reimbursed for the number of units billed in providing these services, through submission of monthly billings to DHS.

SCOPE

The Office of Internal Audit performed an audit of Lakeland for the period October 1, 2004 through November 30, 2005. The purpose of our audit was to determine if their billings were accurate, if the units of service reported were allowable per the terms of the contract, and if Lakeland had supporting documentation that services were provided in accordance with the contract.

EXECUTIVE SUMMARY

Based on our audit, we concluded that some of the billings submitted by Lakeland were not accurate, and some of the units charged were not allowable. We also concluded that Lakeland over billed DHS by \$8,579.00 for the period October 1, 2004 through November 30, 2005. The following Schedule of Findings and Recommendations provides details of the amounts over billed. Our report recommends that the Field Operations Administration initiate the process to recoup \$8,579.00 from Lakeland.

AGENCY RESPONSE

The draft report of this audit was mailed to the director of Lakeland Diagnostic and Assessment Center on June 29, 2006. We received no response to the draft report.

FINDINGS AND RECOMMENDATIONS

Service Documentation

1. Lakeland did not properly document the services they provided in the client casefiles.

The monthly progress reports did not include an assessment of the client's progress toward meeting specific treatment goals and objectives. Without this information, there is no evidence of whether or not the treatment is working or whether there would be a benefit to the client to continue treatment after the originally authorized services have been completed.

WE RECOMMEND that Field Operations Administration instruct Lakeland to maintain documentation of clients' progress toward meeting treatment goals and objectives in the client case records.

More Than One Funding Source for DHS Clients

2. Lakeland indicated that there was more than one funding source for some DHS clients. We were not able to determine that the same units of services were not billed to more than one funding source. The contract states the contractor can, "bill the DHS client's third party health insurance for reimbursable services identified and performed under this contract." And, "Third party reimbursement shall be considered payment in full except that the client or the DHS may be required to pay the co-pay if required by the third party insurer."

Lakeland could not provide documentation that it was in compliance with these terms of its contract with DHS. Lakeland failed to provide a description of a control process designed to ensure that services paid for by a private insurer were not also billed to DHS.

WE RECOMMEND that Field Operations Administration either obtain assurance that Lakeland has an acceptable process to prevent double billing or initiate the process to recoup amounts paid to Lakeland for clients who had insurance at the time they received services.

Unauthorized Units of Service

3. Lakeland did not have a control system to track the number of units billed per client or the number of months the client had been receiving counseling. In St. Clair County, Lakeland is limited to providing counseling for 15 units or 6 months, whichever comes first. Lakeland must have an approved extension in order to bill beyond 6 months or 15 units. Lakeland overbilled DHS \$8,579 for units of service provided over the 15 unit limit or outside the 6 months of service limit. We found a total of 12 clients for whom Lakeland billed DHS more than 15 units of service. We also found that Lakeland billed DHS for 7 clients for units of service that were provided past the six month period of the authorization. Lakeland did not have approved requests for extension on file for these cases.

WE RECOMMEND that Field Operations Administration initiate the process to recoup \$8,579 for unallowable units billed DHS.

WE ALSO RECOMMEND that Field Operations Administration instruct Lakeland to develop and implement a system to track the number of units and duration of service provided to each DHS client.